

Message Text

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TAGS: ETRD UR

SUBJ: USSR SCST OFFICIALS REVIEW MINERAL AND AUTOMOTIVE PROJECTS

REF: A) MOSCOW 10486, 7/3/74; B) MOSCOW 7789, 5/23/74

1. COMMATT, BEWT/TDAD'S PLANAGAN AND COMMOFF REVIEWED FOLLOWING LARGE-SCALE MINERAL AND AUTOMOTIVE PROJECTS AND ACTUAL/POTENTIAL U.S. INDUSTRY INVOLVEMENT WITH S.N. GLEBOV AND A.S. BARINOV, USA SECTION, STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY (SCST), ON FEB 11.

2. KAISER AND PECHINEY ALUMINUM PROJECTS:

A) GLEBOV EXPLAINED THAT LACK OF COMMUNICATION BETWEEN SCST AND MINISTRY OF FOREIGN TRADE (MFT) DELAYED NEGOTIATIONS WITH KAISER AND FRANCE'S PECHINEY FOR THESE TWO SEPARATE PROJECTS. KAISER DISCUSSIONS HAVE BEEN CENTERED WITHIN SCST AND INVOLVE AN ALUMINA PLANT TO BE LOCATED NEAR WHITE SEA WHICH WOULD USE DOMESTIC BAUXITE DEPOSITS AND AN ALUMINUM SMELTER NEAR KRASNOYARSK. PECHINEY'S DISCUSSIONS WITH MFT LIMITED TO AN ALUMINUM COMPLEX NEAR KRASNOYARSK WHICH WOULD RELY ON IMPORTED BAUXITE FROM GUINEA. COUNCIL OF MINISTERS
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HAS AUTHORIZED BOTH PROJECTS DURING 1975-80 FIVE-YEAR PLAN,

AND GLEBOV CONFIRMED THAT KAISER, FOLLOWING TALKS BETWEEN SCST AND MFT OFFICIALS, HAS BEEN INVITED FOR FURTHER DISCUSSIONS IN FEBRUARY BY SCST DEPUTY CHAIRMAN GVISHIANI. HE EMPHASIZED THAT MINISTRY OF NON-FERROUS METALLURGY WOULD HAVE TO BEGIN CONSTRUCTION OF AT LEAST ONE COMPLEX BY 1976, REGARDLESS OF WHETHER COOPERATION AGREEMENT REACHED WITH FOREIGN FIRM.

B) COMMATT MENTIONED RECENT REPORTS FROM CONAKRY THAT GUINEANS MIGHT RAISE EXPORT TAX ON BAUXITE. GLEBOV CLAIMED IGNORANCE OF THESE RUMORS BUT NOTED THAT USSR HAS BEEN STOCKPILING GUINEAN ORE.

3. SIBERIAN HEAVY TRUCK PLANT:

BARINOV CONFIRMED THAT CONSTRUCTION OF HEAVY TRUCK PLANT WOULD NOT BEGIN UNTIL 1980 AND SAID THAT SOVIETS THINKING IN TERMS OF 500,000 UNIT ANNUAL PRODUCTION CAPACITY, VERSUS 150,000 AT KAMAZ. POTENTIAL COST COULD APPROACH 24 BILLION RUBLES COMPARED WITH SIX BILLION FOR KAMAZ. A VARIETY OF MODELS ARE ENVISIONED WITH MAXIMUM VEHICLE WEIGHT OF 20 TONS. AS THE PLANT'S PRODUCTION WILL SUPPORT OTHER SIBERIAN DEVELOPMENT PROJECTS, SOME MODELS WILL HAVE OFF-ROAD CAPABILITY. WHILE EXPLAINING THAT ALL THE OUTPUT COULD BE ABSORBED DOMESTICALLY, BARINOV ADDED THAT PERCENTAGE WOULD BE EARMARKED FOR EXPORT. HE EMPHASIZED THAT DESPITE PLANNING DELAY, U.S. FIRMS INTERESTED IN POSSIBLE PARTICIPATION SHOULD CONTINUE OR BEGIN TECHNICAL LEVEL CONTACTS WITH MINISTRY OF AUTOMOTIVE INDUSTRY NOW.

4. UDOKAN COPPER:

IN RESPONSE TO QUESTION REGARDING DELAYS IN ORGANIZING EXPLOITATION OF UDOKAN COPPER DEPOSITS, GLEBOV APOLOGIZED FOR PAST FALSE STARTS IN ATTEMPTING TO INVOLVE FOREIGN FIRMS. THREE WEEKS AGO SCST CONVENED SPECIAL MEETING OF SOVIET EXPERTS CONCERNED WITH UDOKAN TO REVIEW STATUS OF PROJECT, BUT MEETING FAILED TO PRODUCE ANY CONSENSUS AS TO WHAT ENGINEERING, TECHNOLOGY AND EQUIPMENT WILL BE NEEDED FROM ABROAD. AS RESULT, SPECIAL TEAM CONSISTING OF MINISTRY OF NON-FERROUS METALLURGY, SCST AND OTHERS HAS BEEN FORMED TO REVIEW POTENTIAL AREAS OF COOPERATION WITH CONFIDENTIAL

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FOREIGN FIRMS. GLEBOV HOPES DETAILS CAN BE WORKED OUT IN ENOUGH TIME TO ALLOW DELEGATION OF SOVIET EXPERTS TO TRAVEL ABROAD FOR MEETINGS WITH FOREIGN COPPER FIRMS IN 1975. SINCE GROUND CONCENTRATE MUST BE RAILED AWAY FROM SITE FOR PROCESSING, OPERATIONS CANNOT BEGIN BEFORE 1982, WHEN BAIKAL-AMUR RAILROAD (BAM) SCHEDULED TO OPEN AREA. EARTHQUAKE DANGER RULES OUT BUILDING SMELTER AT UDOKAN.

5. TOL'YATTI MODERNIZATION:

BARINOV EXPLAINED THAT REPORTED EXPANSION OF TOL'YATTI AUTOMOBILE PLANT WOULD INVOLVE REPLACEMENT OF ONE OF THREE EXISTING "FIAT 124" LINES WITH NEW HIGHER OUTPUT "FIAT 132" (1600 CC ENGINE) LINE, RATHER THAN INSTALLATION OF FOURTH LINE. ESTIMATED ANNUAL PRODUCTION AFTER MODERNIZATION WOULD BE 440,000 UNITS OF "124" TYPE AND ABOUT 300,000 "132'S" ON ONE LINE.

6. UNION CARBIDE NEGOTIATIONS AND UPCOMING VISIT BY SOVIETS: GLEBOV REPORTED CONTINUING PROGRESS ON NEGOTIATIONS FOR 1.2 MILLION METRIC TON FERROMANGANESE AND 320,000 METRIC TON FERROCHROMIUM FACILITIES. GLEBOV EXPECTS TO BE MEMBER OF SOVIET TEAM PLANNING TO VISIT

UNION CARBIDE HEADQUARTERS BEGINNING FEB 26 FOR FURTHER NEGOTIATIONS. IDEA OF TOTAL OR PARTIAL REPAYMENT FOR PROJECTS WITH FERROALLOYS BEING CONSIDERED BY SOVIETS. UNION CARBIDE RECENTLY INFORMED SOVIETS IT COULD NOT UNDERTAKE FULL RESPONSIBILITY FOR GRAPHITE ELECTRODE AND CRYSTALLINE SILICON INSTALLATIONS TWO SIDES HAD DISCUSSED EARLIER. LACK OF AVAILABLE QUALIFIED ENGINEERING PERSONNEL WAS REASON CITED BY COMPANY. STOESSEL

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